



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 14, 1998
WWW.USDOJ.GOV

AT
(202) 616-2771
TDD (202) 514-1888

JOEL KLEIN STATEMENT REGARDING PRIMESTAR ABANDONING DEAL TO ACQUIRE NEWS CORP./MCI'S DIRECT BROADCAST SATELLITE ASSETS

Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division, issued the following statement today after Primestar Inc. abandoned its acquisition of News Corporation Limited and MCI's direct broadcast satellite assets:

"This is the right result and a big win for consumers. It will ultimately mean lower prices, more innovation, and better service and quality. DBS service is the first real competitor to local cable monopolies. As result of this action, the last remaining DBS slot will not fall into the hands of the dominant cable companies."

On May 12, 1998, the Department's Antitrust Division filed a civil antitrust suit to block Primestar Inc. from acquiring the direct broadcast satellite assets of News Corporation Limited and MCI. The proposed acquisition would have allowed five of the largest cable companies in the U.S., which control Primestar, to protect their monopolies and keep out new competitors. Direct broadcast satellite or DBS, is a service that uses orbiting satellites to transmit video programming directly to a subscriber's home. The trial was scheduled to begin in February 1999.

###

98-479